



**"Soldiers On Point for the
Nation"**

G-3/S-7 Soldiers on Point for the Nation DAMO-TR



Our Army at war - Relevant & Ready OPTEMPO Overview

**2005 Acquisition Senior Leaders'
&
AMC Commanders Conference**

23 August 2005

"The Army--Persuasive in Peace, Invincible in War"



OPTEMPO

AGENDA

- OVERVIEW
- PROCESS
- COST FACTORS
- ISSUES
- INFLUENCING CHANGE



OPTEMPO - What it is

OPTEMPO INCLUDES THE RESOURCES REQUIRED TO CONDUCT AND SUPPORT MTOE UNIT TRAINING, MAINTENANCE OF UNIT EQUIPMENT AND TO SUSTAIN ROUTINE, DAY-TO-DAY OPERATIONS

- **Protects Commanders' buying power**
- **Includes both Ground and Air**
- **All COMPOS (AC/RC)**
- **\$39B Program (FY 06-11)**
- **85% of FORSCOM OMA**
- **99.9% of MTOE Unit Funding**
- **Programmed via Training Resource Model (TRM)**



THE COMPONENTS OF OPTEMPO

DIRECT COSTS

STRATEGY BASED

- ✓ COSTS VARY DIRECTLY WITH ACTIVITY / EVENT
- ✓ INCLUDES ALL MAJOR EQUIP IN THE BATTALION
- ✓ COSTS CALCULATED BASED ON EQUIP DENSITY

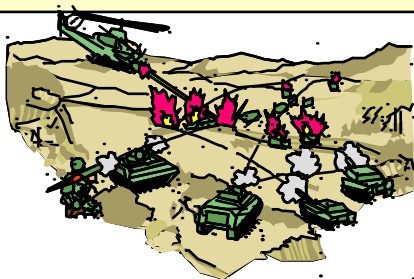
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- ✓ MACOM S

INDIRECT COSTS

STRUCTURE BASED

- ✓ COSTS GENERALLY BASED ON # OF PERSONNEL SUPPORTED (PER CAPITA COST)
- ✓ MACOM/UNIT SPECIFIC



- CLASS III (Fuel, Oil)
- CLASS IX (Parts)
- DEPOT LEVEL REPARABLES (Engines, Transmissions, etc...)



- COMBAT TRAINING CENTER SUPPORT (27%)
- SOLDIER SUPPORT—OCIE, CDE, CLASS II/IV ETC (26%)
- Training Aids, Devices, Simuations, and Simulators (TADSS) CLS (17%)
- CIVILIAN PAY (10%)
- CONTRACT LOGISTICS SUPPORT (11%)
- MISC, TEU, MFO SPT, ARL/IEW SPT (9%)

HEAVY BRIGADE - 89% DIRECT/11% INDIRECT

LIGHT BRIGADE - 60% DIRECT/40% INDIRECT



OPTEMPO

Types of Cost

Included:

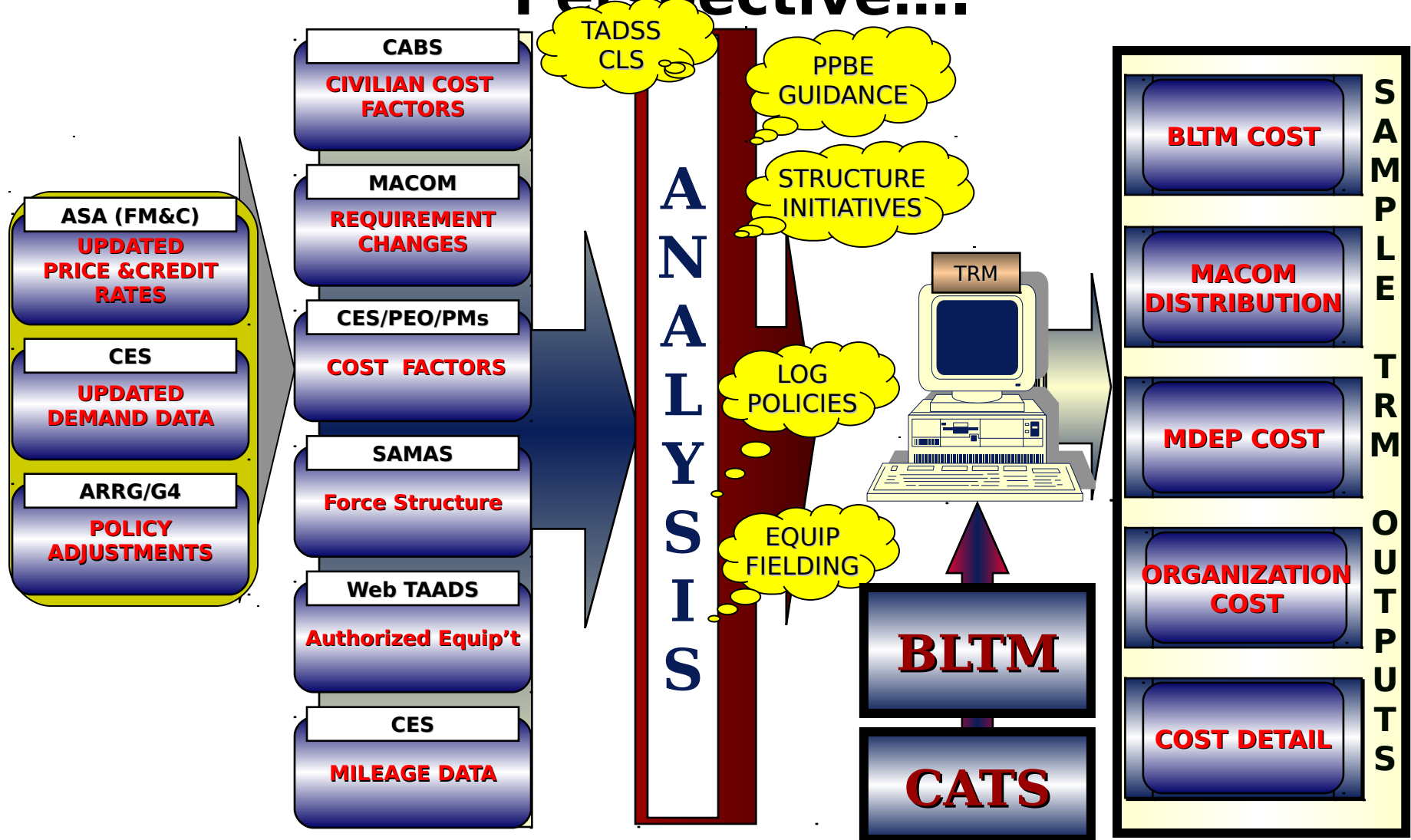
- Class II, III, IV, VIII & IX
- Unit TDY travel & transportation
- Unit level contract service requirements
- System Contract Logistic Support (when ILS is approved by HQDA e.g. Shadow, Javelin, ITAS, Stryker, FOX, BIDS, ARL, HIMARS etc)
- TADSS CLS e.g. PEO STRI support

Not Included:

- Depot Maintenance
- SSTS
- Post Deployment Software Support
- End item replacement
- FSRs unless approved by Training PEG
- Second Destination Transportation

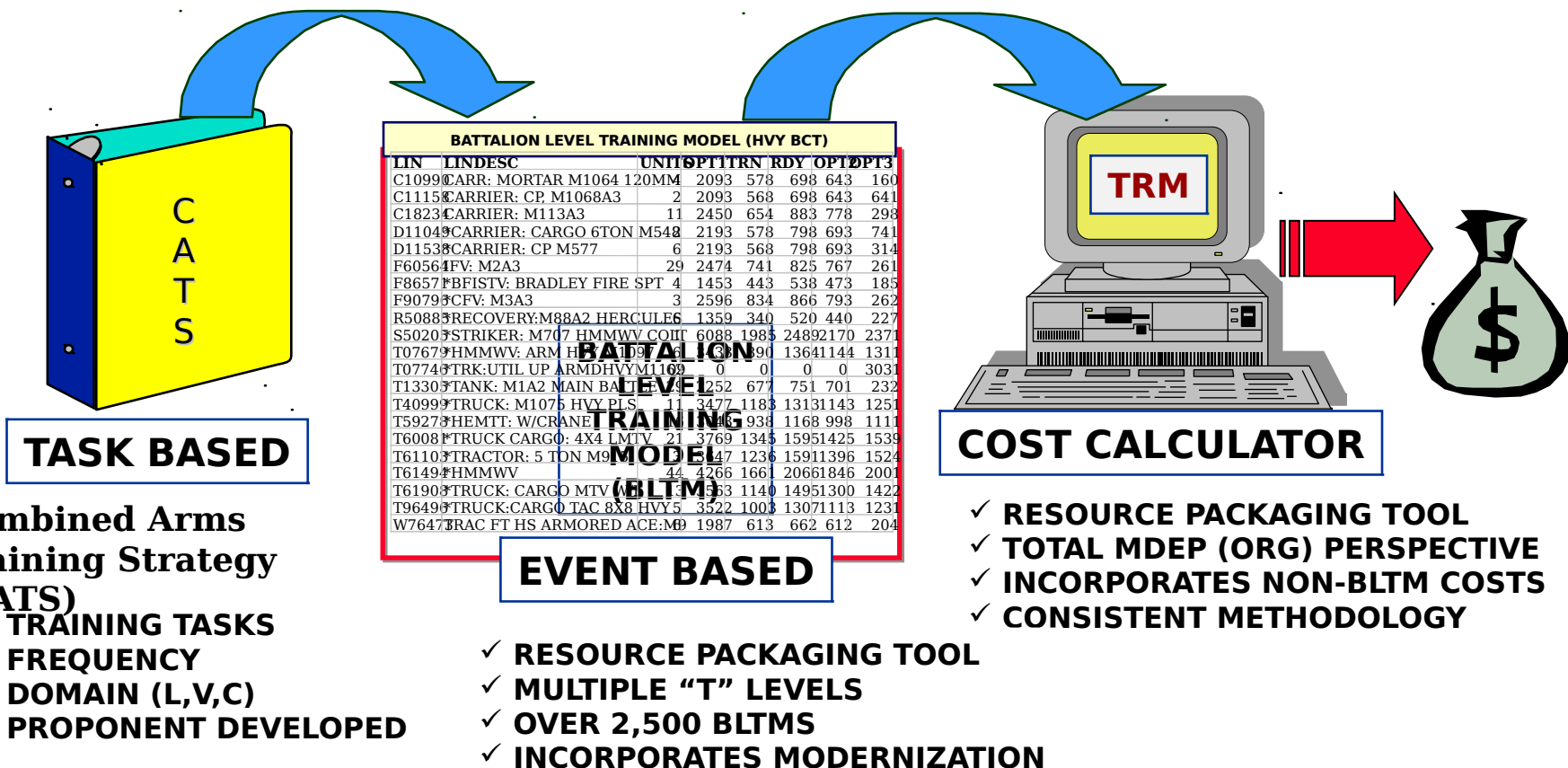


A System Overview Perspective....





OPTEMPO PROCESS... Foundation



Combined Arms
Training Strategy
(CATS)

- ✓ TRAINING TASKS
- ✓ FREQUENCY
- ✓ DOMAIN (L,V,C)
- ✓ PROPONENT DEVELOPED

- ✓ RESOURCE PACKAGING TOOL
- ✓ MULTIPLE "T" LEVELS
- ✓ OVER 2,500 BLTMS
- ✓ INCORPORATES MODERNIZATION

NOTE:

- ✓ POM 05-09 CATS based on a 2-year cycle
- ✓ POM 06-11 CATS based on Force Stabilization model
- ✓ POM 08-13 CATS based on ARFORGEN model



OPTEMPO combines strategy, structure, and cost

BATTALION LEVEL TRAINING MODEL (HEAVY BCT)

LIN	LINDESC	UNITS	OPT1	TRN	RDY	OPT2	OPT3
C10990	CARR: MORTAR M1064 120MM	4	2093	578	698	643	160
C11158	CARRIER: CP, M1068A3	2	2093	568	698	643	641
C18234	CARRIER: M113A3	11	2450	654	883	778	298
D11049	*CARRIER: CARGO 6TON M548	2	2193	578	798	693	741
D11538	*CARRIER: CP M577	6	2193	568	798	693	314
F60564	IFV: M2A3	29	2474	741	825	767	261
F86571	*BFISTV: BRADLEY FIRE SPT	4	1453	443	538	473	185
F90796	*CFV: M3A3	3	2596	834	866	793	262
R50885	*RECOVERY: M88A2 HERCULES	6	1359	340	520	440	227
S50205	*STRIKER: M707 HMMWV COLT	1	6088	1985	2489	2170	2371
T07679	*HMMWV: ARM HVY M1097	6	3433	890	1364	1144	1311
T07746	*TRK: UTIL UP ARMDHVM1109	62	0	0	0	0	3031
T13305	*TANK: M1A2 MAIN BATTLE	29	2252	677	751	701	232
T40999	*TRUCK: M1075 HVY PLS	11	3477	1183	1313	1143	1251
T59278	*HEMITT: W/CRANE	16	3043	938	1168	998	1111
T60081	*TRUCK: CARGO: 4X4 LMTV	21	3769	1345	1595	1425	1539
T61103	*TRACTOR: 5 TON M915	3	3647	1236	1591	1396	1524
T61494	*HMMWV	44	4266	1661	2066	1846	2001
T61908	*TRUCK: CARGO MIV W/E	13	3563	1140	1495	1300	1422
T96496	*TRUCK: CARGO TAC 8X8 HVY	5	3522	1003	1307	1113	1231
W76473	TRAC FT HS ARMORED ACE:M9	6	1987	613	662	612	204



$$\begin{array}{c} \text{OPTEMPO} \\ \times \\ \text{COST FACTOR} \\ \times \\ \text{FORCE} \\ \text{STRUCTURE} \\ = \\ \text{OPTEMPO COST} \end{array}$$

Z46135	MANEUVER CTL SYSTEM (HVY)	1	1	1	1	1	1
Z46662	WATER PURIFIER: LIGHTWGT	1	1	1	1	1	1
Z48850	GBS TAC GROUND RCVR TSR-4	1	1	1	1	1	1
Z72475	*MANEUVER CTL SYSTEM(LGT)	4	1	1	1	1	1
Z78336	TGT LOC & OBSERVATION SYS	37	1	1	1	1	1
Z90624	COMP SET DIGITAL:TY Q105V1	19	1	1	1	1	1

Same methodology for light and heavy, air and ground units

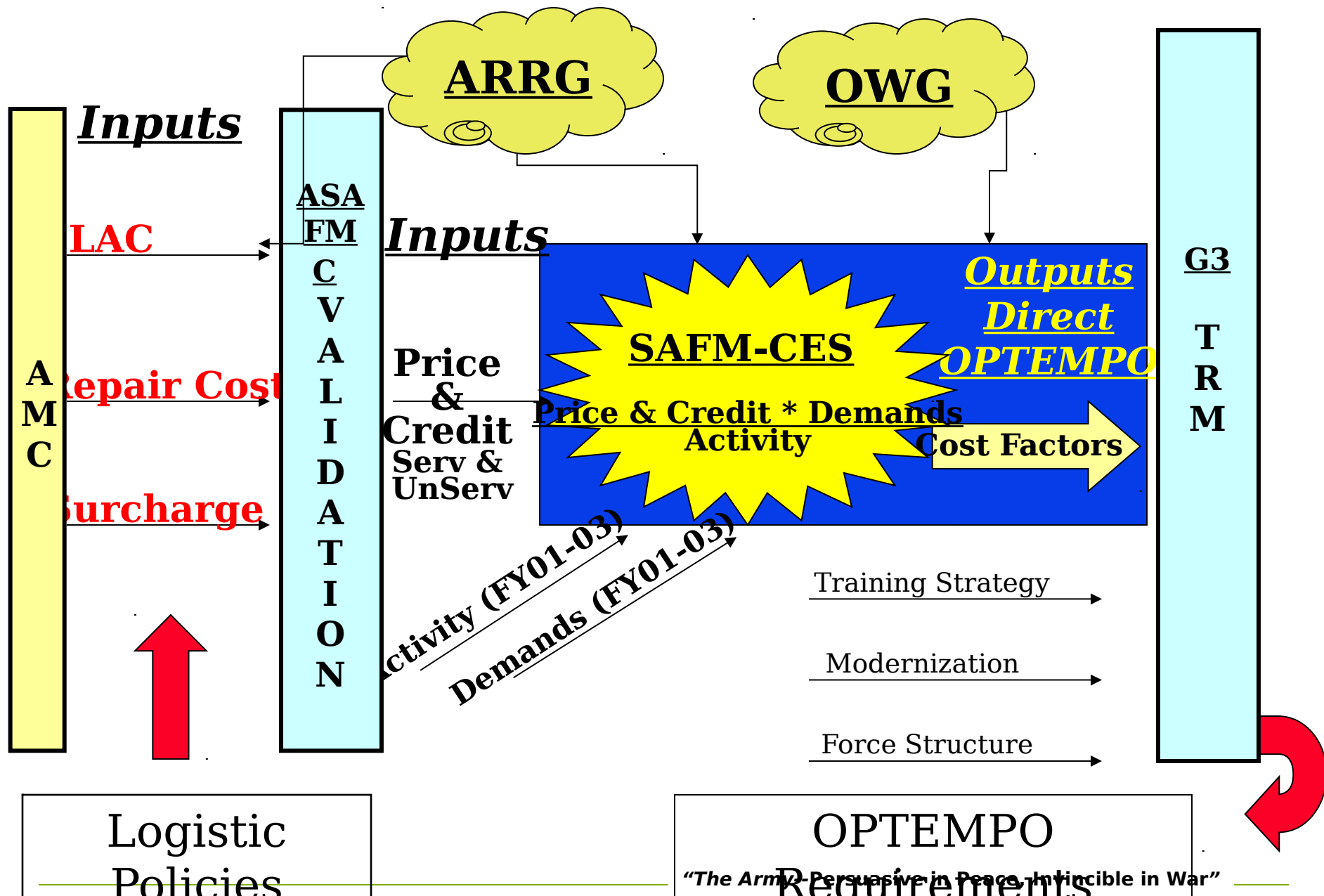


Cost Factors

- **DIRECT OPTEMPO COST FACTORS ARE DEVELOPED BY SAFM-CES AND/OR PEO/PM**
- **THEY REFLECT**
 - WHAT THE MTOE UNIT MUST PAY FOR OPERATIONAL READINESS SUSTAINMENT COSTS
 - INCLUDES OUT OF WARRANTY COSTS
 - REPAIR AND RETURN COSTS
 - SELECTED CONTRACT LOGISTICS SUPPORT OF MTOE EQUIPMENT
- **BUDGET DRIVERS, MUST BE CREDIBLE/AUDITABLE**



Cost Factor Development





ARMY OPTEMPO CHANGES

Not a Static Dinosaur

- **OPTEMPO has changed**
 - **Migration of dollars stopped since FY01**
 - **Training Strategy adjusted 4 times to reflect**
 - **Under execution**
 - **Contribution of TADSS e.g. UCOFT and CCTT**
 - **MACOM uniqueness**
 - **Unit stabilization or life cycle manning**
 - **ARFORGEN AND MODULAR FORCE (in progress)**
 - **AR 220-1 changed to provide a Strategy / Resources to Readiness Link**
- **Alternative metrics are under continuous review e.g. events & other vehicles**
- **Dollar and activity execution reported monthly to the G-3 AND VCSA in a Monthly Balcony Briefing**

EVOLUTION OF THE METRIC

	FY01	FY02	FY03	FY04	FY05	FY06
HST-LIVE	771	760	754	723	723	727
HST-CCTT	29	40	46	65	65	60
HST-UCOFT	30	30	30	30	30	30
NTC	101	101	103	81	81	82
TOTAL	931	931	933	899	899	899



OPTEMPO CURRENT ISSUES

Rising cost of parts and supplies

**Cost growth due to new
equipment/capabilities**

Cost shifting—procurement to O&M

**Fund procurement; take risk in
sustainment**

**Reliance on Supplemental/Extended
Planning Funding**

**What programs should be funded in
OPTEMPO?**



OPTEMPO REQUIREMENTS GROWTH

Why does OPTEMPO get more expensive?

- **Logistics Support Decisions**
 - **Phase out of DS+ tank engine repair—cost=\$8M per div, savings eventually \$12M per div**
 - **Two level maintenance—M1A2 & Longbow peculiar parts, LRUs etc**
 - **National Maintenance Program—reduce field repair; increase parts reliability**
 - **Contractor Logistics Support for new systems—HIMARS, M270A1, Sentinel, TUAV etc**
- **Modernization**
 - **Modular sleeping bag \$292 vs \$73 for the old bag**
 - **JSLIST \$210 vs \$100 for the BDO; no training suit**
 - **Modular Forces - more equipment, greater capability**
- **Price increases for repair parts**
 - **Price of new buys normally exceed inflation**
 - **Higher depot costs for repair of engines etc**
 - **AWCF cash problems & higher repair cost=less credit=more unit cost**
- **Increases in fuel costs (Fact of Life, not related to strategy)**
- **Higher rail and air transportation costs**



OPTEMPO

PEO/PM/LCMC Role

- **Insure unit sustainment is in the POM**
 - **Provide fielding info and cost estimates to G3 TR**
 - **If ILS=CLS, coordinate with G3 TR but need ASAALT approval**
- **No special forms or data calls; early coordination preferred. Email is OK to initiate most actions.**
- **Budget/POM lock data can be viewed at (userid & password controlled)**

<https://trmis.com/trmis/start/startlogin.asp>



Points of Contact

- **Shawn Johnson 703-692-7590**
 - **shawn.johnson9@us.army.mil**
- **Joel Fleck 703-679-4245**
 - **jfleck@caci.com**
 - **joel.fleck@us.army.mil**
- **George DeMarse 703-692-4473**
 - **george.demarse@us.army.mil**

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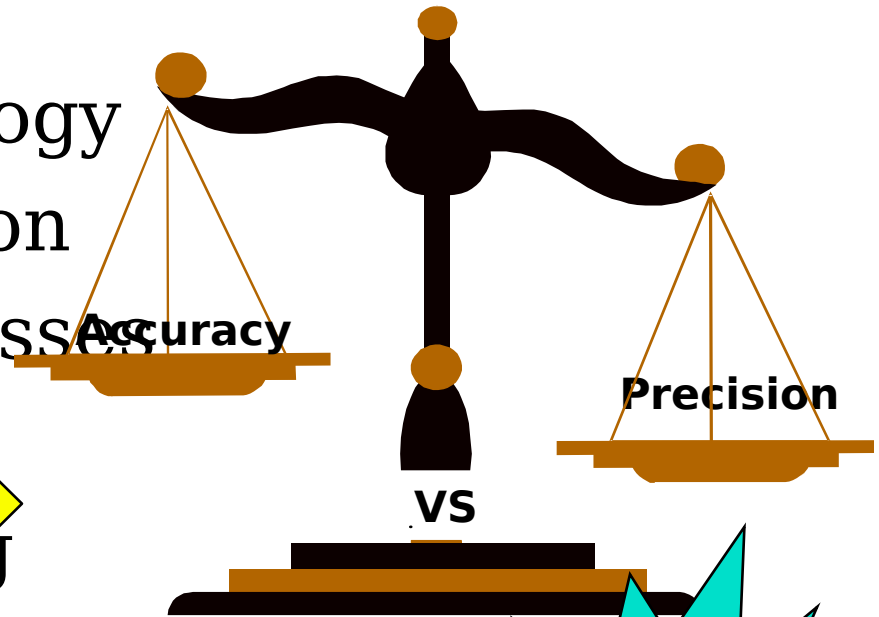


Summary

DPTMPO & TRM provide

- Consistent Methodology
- Total Army Orientation
- No 'Black Box' Processes
- Frequent Updates
- Long Range Planning
- Supports "What if" Drills
- Quick Response
- Preserves Commanders' buying power

Achieve a Balance



Evolved
Over
time



BACK-UPS



Why OPTEMPO Costs Go Up

An EPLRS Case Study +\$15M

- Now thru FY07 EPLRS are maintained on a direct repair basis from unit to Raytheon.
- The cost is \$3,300 repair plus \$500 PM handling charge per RT or \$3,800 per turn in.
- In FY08 EPLRS will transition to AWCF. Units will turn in broken RTs and buy a serviceable RT from the AWCF. Raytheon will still do the repair for the AWCF.
- The cost will be \$3,320 repair plus \$863 washout plus \$8,143 surcharge for a total net price of \$12,326!!!
- With 12,000 EPLRS fielded by FY08 & 1 out of every 6 needing repair a year, OPTEMPO increases by \$12M!
- A 200% or \$12M increase in OPTEMPO cost for the exact same repair!
- Can the Army afford to transition EPLRS to AWCF?